

From: "Michael.Harvey" [GRO]
To: "Parsons, Andrew" [GRO]
Cc: Rodric Williams [GRO], "Rob Houghton" [GRO], "Prime, Amy" [GRO], "Gavin.Bell" [GRO], "Muhunda.Satchithananda" [GRO]
[GRO]

Subject: RE: Horizon Group Litigation Update - Subject to Privilege [BD-4A.FID26859284]

Date: Wed, 27 Jul 2016 18:01:11 +0000

Importance: Normal

Attachments: _DOC_33410460(1)_IT_Extracts_from_Letter_of_Response_v_ms_FJS.docx

Inline-Images: image004.jpg; image006.jpg; image008.jpg; image010.jpg; image012.jpg; image014.jpg; image016.jpg; image017.jpg; image019.png

Andy,

Apologies for the delay in responding – the members of the team who usually support on these matters are on leave and therefore we are not in a position to respond with a view on such short notice. Given the timescales you are working to we have done our best to comment on the document but ultimately we are not a party to (nor would we want to be) your defence strategy in this matter and the choice as to what you do want to say and which comments you wish to incorporate or not is entirely Post Office's (or your advisers).

We have tried to provide detail as to the technical basis of Horizon and where we feel that the answers miss a fundamental premise of the Horizon system. As indicated on previous presentations (and in my earlier email), the position Fujitsu has repeatedly advised on is that the discussion of whether or not the entire Horizon system does or does not have bugs / errors etc. is only relevant if such bugs / errors were undetected. The design structure and the repeated references to the Core Audit Process is because it is fundamental to the argument as to whether Horizon has in any circumstances lead to the outcomes claimed and it has not, as such errors / bugs are detected as a result of the Core Audit Process. This is because the Audit Log highlights a discrepancy between what was keyed in and what the wider system says happened or shows up anomalies.

All prosecutions and any claims under the mediation scheme or otherwise have all ultimately referred to this Core Audit Log. This shows what transactions were committed by the user to the Horizon system and on the basis they balance to zero, what the user indicated they had taken or received in the transaction. The Audit Log has integrity and so is at its core, the system is true.

Therefore, in our opinion, the elements that we have seen of the claimants document show a complete misunderstanding of how Horizon works. It is clearly your choice as to how (or if you do at all) want to point out this misunderstanding or simply challenge their position on a point by point basis. As you point out, even if you ignore the misunderstanding, the (in our opinion) erroneous accusations about the Horizon system do not demonstrate any link between said accusations and the losses claimed.

When I spoke to Rodric last week I did indicate that I too was going on holiday (as of this evening) and so Gavin Bell and Muhunda Satchithananda (usually for these matters it is Pete Newsome) will be the point people should you require any further discussion / commentary.

I am in the office for a while longer so if you would like to discuss further please give me a call. Otherwise please feel free to call Gavin or Muhunda in the morning.

Kind regards,

Mike

From: Parsons, Andrew [mailto: [REDACTED] GRO]
Sent: 27 July 2016 11:17
To: Harvey, Michael [[REDACTED] GRO]
Cc: Rodric Williams [[REDACTED] GRO]; Prime, Amy [[REDACTED] GRO]; Rob Houghton [[REDACTED] GRO]
Subject: RE: Horizon Group Litigation Update - Subject to Privilege [BD-4A.FID26859284]

Mike

We have a hard deadline (set by Court rules) of sending our Letter to the other side in the litigation by 4pm tomorrow. Any changes to the letter need approval by POL and so we need FJ's input by close today at the absolute latest.

I'm around all day so please call whenever good for you.

Kind regards
Andy

Andrew Parsons
Partner

Bond Dickinson

Direct: [REDACTED] GRO
Mobile: [REDACTED]

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From: Michael Harvey [[REDACTED] GRO]
Sent: 27 July 2016 11:12
To: Parsons, Andrew
Cc: Rodric Williams; Rob Houghton [[REDACTED] GRO]
Subject: RE: Horizon Group Litigation Update - Subject to Privilege [BD-4A.FID26859284]

Andy,

Apologies for the delay, unfortunately with holidays and a number of other things happening at once this one has proven to be a struggle to get the right people to review in a timely manner. I will call you this afternoon after I have a call with the team to get an update. We will provide you some interim views but our legal team have asked to get involved given some of the inferences made in the document about Fujitsu and so please let me know what the absolute deadline is and why this is key.

The primary issue we have at the moment is that we don't believe the key element regarding the sanctity of the Core Audit Process comes through in your proposed response and this remains the cornerstone of our inputs to date and the presentations we've done on this point in the past to Post Office and Bond Dickinson. To say that Post Office has never said the system is "error free" whilst correct fails to make the point that the system is built on the expectation that the overarching system could have errors over time but the Core Audit Process captures every submitted "basket" accurately and without error and cannot subsequently be changed but only added to (all such additions include details as to what created the addition etc. to create a full audit log). Numerous audits have proved this and it is the Core Audit Process that forms the basis of the first level of analysis with respect to any suspect fraud or loss and hence why we believe that Horizon is robust.

Kind regards,

Mike

From: Parsons, Andrew [mailto:] GRO
Sent: 26 July 2016 18:48
To: Harvey, Michael < GRO
Cc: Rodric Williams < GRO >; Rob Houghton < GRO
< GRO
Subject: RE: Horizon Group Litigation Update - Subject to Privilege [BD-4A.FID26859284]

Mike

I think Rod tried to call you re the below and I left you a message earlier today. Have you got an ETA for your comments? It's now extremely urgent.

If you could give me a call with an update that would be appreciated.

Kind regards
Andy

Andrew Parsons
Partner

Bond Dickinson

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From: Michael.Harvey < GRO
Sent: 22 July 2016 09:07
To: Parsons, Andrew
Cc: Rodric Williams
Subject: RE: Horizon Group Litigation Update - Subject to Privilege [BD-4A.FID26859284]

Andrew,

Apologies for the delay in responding. I have forwarded the previous document to the relevant team members and I will do the same without the document you attached to the below email. I will catch up with the team to understand progress but we will not be responding today on either document. We will respond as soon as we can once we have had chance to consolidate the responses and review them with our legal team.

Kind regards,

Mike

From: Parsons, Andrew [mailto:] GRO
Sent: 21 July 2016 19:55
To: Harvey, Michael < GRO
Cc: Rodric Williams < GRO
Subject: RE: Horizon Group Litigation Update - Subject to Privilege [BD-4A.FID26859284]

Mike

I should be grateful if you could confirm that the review below is underway and that you're on course for a response by tomorrow.

Please could you also review the attached very short document, which addresses a very specific point around Post Office's / Fujitsu's capability to change branch data (this overlaps with Deloitte's work).

Apologies for the short notice but please could you again come back with any comments by close tomorrow.

Kind regards
Andy

Andrew Parsons
Partner

Bond Dickinson

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From: Parsons, Andrew
Sent: 19 July 2016 17:52
To: 'Michael.Harvey' **GRO**
Cc: 'Rodric Williams'
Subject: RE: Horizon Group Litigation Update - Subject to Privilege [BD-4A.FID26859284]

Mike

Further to below, please find attached relevant extracts in relation to Horizon from our draft Letter of Response.

I should be grateful if you (or someone suitably placed at Fujitsu) could review the attached and flag / amend any points that you consider to be incorrect. If possible, please could you provide your feedback by the end of this week. Amendments by way of track changes would be perfect.

I've also attached relevant extracts from the Letter of Claim for context (no need to comment on these but feel free to do so if appropriate).

Please keep circulation of our draft Letter within Fujitsu to the absolute minimum necessary to undertake the above task. This document has been prepared for litigation purposes and should it be circulated for any other purpose within Fujitsu, then legal privilege over the document may be lost.

Any questions, please do not hesitate to call.

Kind regards
Andy

Andrew Parsons
Partner

Bond Dickinson

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From: Rodric Williams [[mailto:](#)] **GRO**
Sent: 18 July 2016 18:06
To: 'Michael.Harvey' **GRO**
Cc: Parsons, Andrew
Subject: RE: Horizon Group Litigation Update - Subject to Privilege

Mike – thanks for calling me back.

Andy Parsons (cc'ed) is the partner at Bond Dickinson leading our defence of the Group Litigation. The Bond Dickinson team has been preparing a substantive response to the long Letter of Claim received from the claimants' solicitors Freeths, and I have asked Andy to contact you directly to get Fujitsu's input on the sections of the response which concern the services Fujitsu supplies to Post Office.

Andy – can you please drop Mike a line or give him a call (GRO) to get this moving.

With thanks for your continued cooperation, Rodric

From: Rodric Williams
Sent: 18 July 2016 14:28
To: 'Michael.Harvey'; (GRO)
Subject: RE: Horizon Group Litigation Update - Subject to Privilege

Mike – I hope this finds you well.

I've just left a fairly long voicemail with you (apologies!), but I'd be grateful if you could please give me a call when you get a moment so I can give you an update on where we have got to in the Group Litigation, our next steps, and the input we'd like from Fujitsu to help us advance our position.

The best number is my mobile – (GRO)

With thanks and kind regards, Rodric

From: Rodric Williams
Sent: 15 April 2016 19:00
To: 'Michael.Harvey'; (GRO)
Subject: Horizon Group Litigation Update - Subject to Privilege

Mike,

Just to let you know that earlier this week we received a letter from Freeths LLP (a firm of solicitors) advising that on 11 April 2016 they issued a Claim Form against Post Office in the High Court on behalf of some 91 claimants. They have not as yet served the Claim Form or any Particulars of Claim on us, and did not send a Pre-Action Letter of Claim before issuing, so we remain unsighted on the basis of the claim or who has brought it.

So we're not really that much further forward, although Freeths did say they intend to send us a Letter of Claim by 26 April 2016 (which I'm sure you'll appreciate is rather putting the horse after the cart...).

Apologies for not being in touch sooner – I had intended to give you the courtesy of a call much sooner, but unfortunately kept running out of time. I am in the office all week next week so will try to give you a call then (one of the things we will need to discuss is document preservation), but please feel free give me a call any time.

Kind regards, Rodric

 **Rodric Williams**
Solicitor, Corporate Services
Post Office Ltd
20 Finsbury Street, London EC2Y 9AQ
(GRO)

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